

# **EXHIBIT 5**



June 22, 2005

Mr. Carleton Jones  
2734 East Oakland Avenue, #18  
Johnson City, TN 37601

Dear Carlton:

Gramercy is introducing the Gramercy Mexico NPL Fund II, LLC, in order to exploit current investment opportunities we perceive to exist in the local Mexican Non-Performing Loan ("NPL") market. We have been investing in this sector of the emerging markets distressed debt universe for many years and over the last four years in Mexico specifically, with very positive results as you will note in the enclosed Gramercy Mexico NPL Fund II, LLC ("GMNPLF2") presentation.

GMNPLF2 is a closed-end fund targeted at \$75 million (maximum \$125 million), with an expected life of four years and target net investment returns of 25% per year. Unlike traditional private equity investments that typically monetize returns at the end of the funds' term, GMNPLF2's assets will be self-liquidating and are anticipated to return capital and profits to investors throughout the Fund's time horizon. The initial closing is targeted for July 31, 2005 in order to capture immediate NPL opportunities being auctioned by the Mexican government's version of the U.S. RTC, known as IPAB. NPL packages may be comprised of commercial and industrial loans, consumer loans, and commercial or residential mortgages that the government has committed to auction before year-end.

Gramercy will serve as the Fund's sole manager and pledges a proprietary investment equal to 5% of committed capital. Our existing platform includes the Gramercy Emerging Markets Fund (\$800 million - six successive positive years with a 17.1% annual compound return since its April 1999 inception), the Gramercy Mexico NPL Fund, LLC (\$90 million Fund launched October 2004 and fully invested March 2005, returning 2.75% of invested capital as of May 31), and various managed accounts. Gramercy's core competency and business focus is proactive distressed investing, where we utilize our investment and risk management skills to identify the elements of distress, and create appropriate catalysts in order to extract value and generate absolute positive performance with very low correlation to traditional asset classes.

Please take a few minutes to review the enclosed materials. A Private Placement Memorandum and Subscription Document are also available (please call 203-552-1900 or email [aferguson@gramercy.com](mailto:aferguson@gramercy.com)). We will host a conference call to discuss the opportunity later this month:

Conference call date: Thursday, June 30th 4:00pm (EST)  
Toll Free Number: (800) 230-1074  
International Number: (612) 234-9960  
Password: summer

We are happy to answer any questions you may have, so please do not hesitate to call.

Very truly yours,

Robert S. Koenigsberger  
Co-Managing Partner

Jay A. Johnston  
Co-Managing Partner